

***Financial Report***  
***Terrebonne Parish Coroner***  
***Houma, Louisiana***  
***For the Year Ended December 31, 2011***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 13 2012**

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For the year ended December 31, 2011

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Terrebonne Parish Coroner,  
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Terrebonne Parish Coroner (the Coroner), State of Louisiana, a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the Coroner's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Coroner's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Terrebonne Parish Coroner as of December 31, 2011, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2012 on our consideration of Terrebonne Parish Coroner's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
April 30, 2012.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Parish Coroner**

The Management's Discussion and Analysis of the Terrebonne Parish Coroner's (the Coroner) financial performance presents a narrative overview and analysis of the Coroner's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Coroner's liabilities exceeded its assets at the close of fiscal year 2011 by \$26,749 (net assets-deficit), which represents a 235.12% decrease from last fiscal year.

The Coroner's revenue decreased by \$43,193 (5.25%) primarily due to the decrease in funding received from Terrebonne Parish Consolidated Government.

The Coroner's long term liabilities increased by \$31,066 (52.23%) primarily due to increases in postemployment benefit obligations.

The Coroner did not have any funds with deficit fund balances.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Coroner's basic financial statements. The Coroner's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) basic financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Coroner:

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Coroner's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Coroner's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Coroner is improving or deteriorating. The statement of activities presents information showing how the Coroner's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Coroner is public safety.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The only fund of the Coroner is a governmental fund.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

All of the activities of the Coroner are reported in one governmental fund, the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The Coroner adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8 – 12 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of the Coroner's financial position. As of December 31, 2011, liabilities exceeded assets by \$26,749.



### Condensed Statements of Net Assets

	December 31,		Dollar Change
	2011	2010	
Current and other assets	\$ 30,153	\$ 38,269	(8,116)
Capital assets	36,616	48,469	(11,853)
Total assets	<u>66,769</u>	<u>86,738</u>	<u>(19,969)</u>
Current liabilities	2,970	7,460	(4,490)
Long term liabilities			
Due in more than one year	90,548	59,482	31,066
Total liabilities	<u>93,518</u>	<u>66,942</u>	<u>26,576</u>
Net Assets:			
Invested in capital assets, net of related debt	36,616	48,469	(11,853)
Unrestricted	(63,365)	(28,673)	(34,692)
Total net assets	<u>\$ (26,749)</u>	<u>\$ 19,796</u>	<u>\$ (46,545)</u>

Current and other assets decreased \$8,116 (21.21%) primarily due to the decrease in cash on hand at December 31, 2011. Long term liabilities of \$90,548 are made up of compensated absences and other postemployment benefit obligations at December 31, 2011.

### Governmental Activities

Governmental activities decreased the Coroner's net assets by \$46,545. Key elements of this decrease are as follows:

### Condensed Changes in Net Assets

	For the year ended December 31,		Dollar Change	Total Percent Change
	2011	2010		
<b>Revenues</b>				
Intergovernmental	\$ 540,942	\$ 588,694	\$ (47,752)	-8.11%
Charges for services	238,914	234,242	4,672	1.99%
Miscellaneous	30	143	(113)	-79.02%
Total revenues	<u>779,886</u>	<u>823,079</u>	<u>(43,193)</u>	-5.25%
<b>Expnses</b>				
Public safety	<u>826,431</u>	<u>825,802</u>	<u>629</u>	0.08%
Increase (decrease) in net assets	(46,545)	(2,723)	(43,822)	1609.33%
Net assets beginning of year	19,796	22,519	(2,723)	-12.09%
Net assets end of year	<u>\$ (26,749)</u>	<u>\$ 19,796</u>	<u>\$ (46,545)</u>	-235.12%

The Statement of Activities provides answers to the nature and source of changes in net assets. In 2011, the Coroner's intergovernmental revenue decreased as a result of decreases in funding provided by the Terrebonne Parish Consolidated Government. Charges for services include \$193,279 (80.90%) which is received directly from Terrebonne Parish Consolidated Government. The remaining \$45,635 of charges for services is fees for the Coroner's services utilized by other governmental units and funeral homes. Expenses increased primarily as a result of an increase in postemployment benefits in 2011.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Coroner uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Coroner's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Coroner's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Coroner's General Fund reported an ending fund balance of \$27,183, a decrease of \$3,626 in comparison with the prior year.

### **General Fund Budgetary Highlights**

The Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual (Exhibit E) for the General Fund displays the original budget, final budget and actual amounts in columns with a variance column showing the favorable or (unfavorable) difference of the actual and the final budget. The budget was amended one time during the year. The major difference between the original General Fund budget and the final amended budget was an increase to revenues to reflect the additional grant revenues received from Terrebonne Parish Consolidated Government (the Parish).

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

Capital assets acquired for the Coroner's use prior to January 1, 2010 are property of the Parish and are included in the capital assets of the Parish. Those assets are recorded in the financial records of the Parish at a cost of \$470,848 with a net book of \$185,595.

The Coroner's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$36,616 (net of accumulated depreciation). This investment in capital assets includes equipment and vehicles.

	<u>2011</u>	<u>2010</u>
Equipment	\$ 1,395	\$ 1,395
Vehicles	<u>57,870</u>	<u>57,870</u>
Totals	<u>\$ 59,265</u>	<u>\$ 59,265</u>

No additional investments in capital assets were made during the current fiscal year; however (the Parish) provided a vehicle for the Coroner's use. That vehicle remains on the books of the Parish. Additional information on the Coroner's capital assets can be found in the Note 4, Exhibit F of this report.

## **Long-term Debt**

At December 31, 2011, the Coroner had \$90,548 in long-term debt outstanding, which was an increase of \$31,066 from the prior year's balance of \$59,482. Long-term debt consists of compensated absences and postemployment benefits. Additional information on the Coroner's long-term debt is presented in Note 5 and Note 8, Exhibit F of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Coroner considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The fees and grant revenue budgeted represents the estimated number of cases to be performed during the year.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of fees for services expected to be performed.
- Estimate of operating supplies needed to perform necessary services.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Coroner's finances for all those with an interest in the Coroner's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed Victor E. Tedesco, III M.D., Terrebonne Parish Coroner, P.O. Box 252, Houma, LA 70361.

**STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Terrebonne Parish Coroner**

December 31, 2011

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash	\$ 22,514		\$ 22,514
Due from other governmental units	3,700		3,700
Receivables	3,939		3,939
Capital assets:			
Depreciable, net of accumulated depreciation	<u>-</u>	\$ 36,616	<u>36,616</u>
<b>Total assets</b>	<u><u>\$ 30,153</u></u>	<u>36,616</u>	<u>66,769</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 2,970	-	2,970
Long term liabilities			
Due in more than one year	<u>-</u>	90,548	<u>90,548</u>
<b>Total liabilities</b>	<u>2,970</u>	<u>90,548</u>	<u>93,518</u>
<b>Fund Balance/Net Assets</b>			
Fund balance:			
Unassigned	<u>27,183</u>	<u>(27,183)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 30,153</u></u>		
<b>Net assets:</b>			
Invested in capital assets, net of related debt		36,616	36,616
Unrestricted (deficit)		<u>(63,365)</u>	<u>(63,365)</u>
<b>Total net assets</b>		<u><u>\$ (26,749)</u></u>	<u><u>\$ (26,749)</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

**Terrebonne Parish Coroner**

December 31, 2011

<b>Fund Balances - Governmental Fund</b>	<b>\$</b>	<b>27,183</b>
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the governmental fund.

Governmental capital assets	\$ 59,265	
Less accumulated depreciation	<u>(22,649)</u>	36,616

Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the government fund.

Compensated absences payable	\$ (2,152)	
Other postemployment benefit obligations	<u>(88,396)</u>	<u>(90,548)</u>

<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>(26,749)</u></b>
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See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**Terrebonne Parish Coroner**

For the year ended December 31, 2011

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Intergovernmental:			
Terrebonne Parish			
Consolidated Government	\$ 540,942		\$ 540,942
Charges for services	238,914		238,914
Miscellaneous:			
Interest	30		30
	<u>779,886</u>		<u>779,886</u>
<b>Expenditures/Expenses</b>			
Current:			
Public safety:			
Personal services	621,313	\$ 31,066	652,379
Operating services	141,563	-	141,563
Materials and supplies	19,702	-	19,702
Travel and miscellaneous	934	-	934
Depreciation		11,853	11,853
	<u>783,512</u>	<u>42,919</u>	<u>826,431</u>
<b>Excess of Expenditures over Revenues</b>	(3,626)	3,626	
<b>Change in Net Assets</b>		(46,545)	(46,545)
<b>Fund Balance/Net Assets</b>			
Beginning of year	30,809	(11,013)	19,796
End of year	<u>\$ 27,183</u>	<u>\$ (53,932)</u>	<u>\$ (26,749)</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Coroner**

For the year ended December 31, 2011

<b>Net Change in Fund Balance - Governmental Fund</b>	<b>\$ (3,626)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(11,853)
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Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences

Other postemployment benefits

1,521	
(32,587)	(31,066)

<b>Change in Net Assets of Governmental Activities</b>	<b>\$ <u>(46,545)</u></b>
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See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Terrebonne Parish Coroner**

For the year ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenues</b>				
Intergovernmental:				
Terrebonne Parish				
Consolidated Government	\$ 734,350	\$ 809,069	\$ 540,942	\$ (268,127)
Charges for services	43,760	25,567	238,914	213,347
Miscellaneous				
Interest	175	37	30	(7)
Total revenues	<u>778,285</u>	<u>834,673</u>	<u>779,886</u>	<u>(54,787)</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Personal services	599,652	593,388	621,313	(27,925)
Operating services	110,266	155,391	141,563	13,828
Materials and supplies	42,159	17,604	19,702	(2,098)
Travel and miscellaneous	950	938	934	4
Total expenditures	<u>753,027</u>	<u>767,321</u>	<u>783,512</u>	<u>(16,191)</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>25,258</b>	<b>67,352</b>	<b>(3,626)</b>	<b>(70,978)</b>
<b>Fund Balance</b>				
Beginning of Year	<u>43,084</u>	<u>43,084</u>	<u>30,809</u>	<u>(12,275)</u>
End of Year	<u>\$ 68,342</u>	<u>\$ 110,436</u>	<u>\$ 27,183</u>	<u>\$ (83,253)</u>

See notes to financial statements.



## **NOTES TO FINANCIAL STATEMENTS**

### **Terrebonne Parish Coroner**

For the Year Ended December 31, 2011

#### **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Chapter 3 of Title 33 of the Louisiana Statutes of 1950, the Terrebonne Parish Coroner is elected by the voters of Terrebonne Parish, for a four-year term. The Coroner investigates all deaths, performs autopsies, furnishes death certificates, provides mental health services, mental examinations, protective custody services and examines cases for other crimes under police investigation.

The accounting policies of Terrebonne Parish Coroner (the Coroner) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

#### **a) Reporting Entity**

The Coroner is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2011.

GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14* established the criterion for determining which component units should be considered part of the Coroner for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Coroner and the potential component unit.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity (continued)**

4. Imposition of will by the Coroner and the potential component unit.
5. Financial benefit/burden relationship between the Coroner and the potential component unit.

The Coroner has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Basis of Presentation**

The Coroner's basic financial statements consist of the government-wide statements on all activities of the Coroner and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Coroner. The government-wide presentation focuses primarily on the sustainability of the Coroner as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. The daily accounts and operations of the Coroner continue to be organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Coroner:

**General Fund** - The General Fund is the general operating fund of the Coroner. It is used to account for and report all financial resources not accounted for and reported in other funds. The General Fund is always a major fund.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Charges for services are recorded when earned since they are measurable and available. Intergovernmental revenues represent reimbursements for employee salaries, payroll taxes, insurance and other expenditures. Such revenues are recorded when the qualifying expenditure is incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Coroner adopted a budget for its General Fund. The Coroner, as allowed by state law, does not obtain public participation in the budget process. The Coroner did not amend its budget during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the basic financial statements.

**f) Accounts Receivable**

The financial statements for the Coroner contain no allowance for uncollectible accounts. Uncollectible amounts (including amounts due from other governmental entities) are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the General Fund.

**g) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Capital Assets (continued)**

Equipment	5 years
Vehicles	5 years

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets acquired for the Coroner's use prior to January 1, 2010 are property of the Terrebonne Parish Consolidated Government (the Parish) and are included in the capital assets of the Parish. Those assets are recorded in the financial records of the Parish at a cost of \$470,848 with a net book of \$185,595, including a vehicle valued at \$14,962, transferred by the Parish in the current year for the Coroner's use.

**h) Vacation and Sick Leave**

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid. Vacation may be accumulated to a maximum of 17 days (after 10 years) and sick leave to a maximum of 60 days. Unused vacation time lapses at the employee's anniversary date. All accumulated vacation vests to the employees; however, all accumulated sick leave lapses at separation of employment. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, which is estimated to be zero (\$0) at December 31, 2011.

**i) Other Postemployment Benefits**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The Coroner has recorded liabilities for postemployment health care benefits as of December 31, 2011.

In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and long-term obligation.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refers to other postemployment benefit payments due and payable as of the end of the year.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Fund Equity**

**Government-wide Statements:**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the Coroner’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2011 and for the year then ended, the Coroner did not have or receive restricted net assets.

**Fund Financial Statements:**

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal action of the Coroner. Commitments may be established, modified, or rescinded only through formal actions by the Coroner.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Fund Equity (continued)**

- d. Assigned – amounts that do not meet the criteria to be classified as either restricted or committed by that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

For the classification of government fund balances, the Coroner considers an expenditure to be made from the most restrictive first when more than one classification is available. The Coroner's fund balance was classified as unassigned as of December 31, 2011.

**k) New GASB Statements**

During the year ending December 31, 2011, the Coroner implemented the following GASB Statement:

Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions."* The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications there can be more consistently applied and by clarifying the existing governmental fund type definitions.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

**Note 2 - DEPOSITS (Continued)**

The year-end balances of deposit are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 39,907</u>	<u>\$ 22,514</u>

Custodial credit risk is the risk that in the event of a bank failure, the Coroner's deposits may not be returned to it. As of December 31, 2011, Coroner's bank balance of \$39,907 was adequately covered by FDIC insurance and, therefore, not exposed to custodial credit risk.

**Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2011 consisted of the following:

	<u>General Fund</u>
Ascension Parish	\$ 200
Assumption Parish	100
Calcasieu Parish	400
Lafouche Parish	600
St. Charles Parish	300
St. Landry Parish	100
St. Martin Parish	100
St. Mary Parish	1,300
Vermilion Parish	500
Vernon Parish	<u>100</u>
Total	<u>\$ 3,700</u>



**Note 4 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Capital assets being depreciated:				
Equipment	\$ 1,395	\$ -	\$ -	\$ 1,395
Vehicles	57,870	-	-	57,870
 Total capital assets being depreciated	 59,265	 -	 -	 59,265
Less accumulated depreciation for:				
Equipment	(186)	(279)	-	(465)
Vehicles	(10,610)	(11,574)	-	(22,184)
 Total accumulated depreciation	 (10,796)	 (11,853)	 -	 (22,649)
 Total capital assets, net	 \$ 48,469	 \$ (11,853)	 \$ -	 \$ 36,616

**Note 5 - NON-CURRENT LIABILITIES**

Non-current liabilities consist of accumulated unpaid vacation and other postemployment benefit obligations. At December 31, 2011 the unpaid vacation liability of the Coroner was \$2,152. See Note 8 for other postemployment benefit obligations.

**Note 6 - OPERATING LEASES**

During the year ending December 31, 2011, the Coroner leased a vehicle under an operating lease which expired in November 2011. Rental payments for the lease and one additional vehicle on a month-to-month rental were \$5,355 and were charged to current expenditures for the year ended December 31, 2011.

**Note 7 - RISK MANAGEMENT**

The Coroner is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Coroner participates in the Parish's risk management program for general liability, workers' compensation, group insurance and property insurance. No settlements were made during the year that exceeded the Coroner's insurance coverage. The Coroner's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The premiums for property insurance are based on the Coroner's percentage of property value to the total of the Parish's property value covered.

The Parish handles all claims filed against the Coroner. The Coroner could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Coverage</u> <u>Policy</u>	<u>Limits</u>
General Liability	\$6,250,000
Workers' Compensation	Statutory
Property Insurance	\$75,000,000

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$563,349 for general liability, workers' compensation and property insurance at December 31, 2010, then secondly by the Coroner. The Parish is self-insured for the first \$150,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2010 was \$18,178,279. Insurance contracts cover the excess liability, up to \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal services fund, \$4,985,948 at December 31, 2010, then secondly by the Coroner or the employee for individual claims in excess of \$1,000,000. At December 31, 2011, the Coroner had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2011 totaled \$215,048.

**Note 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The Coroner administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Terrebonne Parish Council. The Coroner funds the entire premium for all benefits on all employees. For employees retiring before January 1, 2005 the Coroner funded the premiums for employees retiring with at least ten years of service upon retiring from the formal retirement systems and will participate in the cost at the applicable single rates. Coroner employees retiring with at least ten years of permanent full-time creditable service with the Coroner shall be eligible to participate in the Plan approved by the Coroner under the following vesting schedule as adopted for retirements on or after January 1, 2005: 11 to 15 years of services, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus 5% per year of service over 20, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. The Coroner does not issue a publicly available financial report on the Plan.

**Funding Policy**

The Coroner fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2011, the Coroner paid \$30,276 for the retirees' current year premiums.

**Annual OPEB Cost and Net OPEB Obligation**

In fiscal year 2011 the Coroner recognized a net other postemployment benefit (OPEB) obligation for covered postemployment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 was implemented prospectively with zero net obligation at transition. The Coroner's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Coroner's annual OPEB cost for the year, the premiums actually paid and the Coroner's net OPEB obligation.

**Note 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Annual required contribution (ARC)	\$ 33,075
Interest on net OPEB obligation	2,512
Adjustment to ARC	<u>(2,275)</u>
Annual OPEB cost (expense)	33,312
Contributions made	<u>(725)</u>
Increase in net OPEB cost (expense)	32,587
Beginning of year	<u>55,809</u>
End of year	<u>\$ 88,396</u>

The Coroner's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB liability as of December 31, 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 33,608	100%	\$ 52,079
12/31/2010	32,613	88.6%	55,809
12/31/2011	33,311	2.2%	88,396

**Funded Status and Funding Progress**

As of January 1, 2010, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$629,038. Covered payroll for eligible employees was \$330,702 and the total UAAL represents 190.2 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

**Note 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

In the January 1, 2010, actuarial valuation, the entry age-normal actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (discount rate), a 3.0 percent expected increase in payroll and annual medical cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 9 years. The annual dental cost trend was initially 5.5 percent, reduced by decrements to an ultimate rate of 3.5 percent after nine years. Zero trend was assumed for valuing life insurance. Other assumptions include (1) expenses per participant per month are expected to increase with inflation at 3 percent per annum, (2) 65 percent of employees will choose to continue basic life insurance benefits, (3) family coverage includes a spouse and no children, and (4) male spouses are three years older than females. The UAAL is being amortized over an open 30 year period using the level percent of payroll method with an assumption that payroll increases by 3 percent per year. The remaining amortization period at January 1, 2010 was 27 years.

**Note 9 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through April 30, 2012, which is the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN****Terrebonne Parish Coroner**

December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll ((b-a)/c)
1/1/2007	-	\$ 712,960	\$ 712,960	0.00%	\$ 260,640	273.54%
1/1/2008	-	631,828	631,828	0.00%	297,904	212.09%
1/1/2010	-	629,038	629,038	0.00%	330,702	190.21%

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Terrebonne Parish Coroner,  
Houma, Louisiana.

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Parish Coroner (the Coroner), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2011, which collectively comprise the Coroner's basic financial statements and have issued our report thereon dated April 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Coroner is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Coroner's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coroner's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Coroner's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Coroner's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses, as 11-01, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Coroner's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and responses as 11-02.

The Coroner's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Coroner's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information of the Coroner, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
April 30, 2012.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Coroner**

For the year ended December 31, 2011

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency (ies) identified that are not considered to be material weaknesses?   X   yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted?   X   yes    \_\_\_\_\_ no

##### **b) Federal Awards**

Terrebonne Parish Coroner did not expend federal awards during the year ended December 31, 2011.

#### **Section II Financial Statement Findings**

**11-01 Criteria** – Effective internal controls require that an entity have staffing with the technical expertise, knowledge and available time to prepare financial statements and all disclosures in accordance with generally accepted accounting principles as part of its control process.

**Condition** – Management lacks the qualifications necessary to prepare financial statements and all disclosures in accordance with accounting principles generally accepted in the United States. Possessing suitable skills, knowledge and experience to oversee services an auditor provides in assisting with financial statements presentation requires a lower level of technical knowledge than the expertise required to prepare the statements and all disclosures.

## **SCHEDULE OF FINDINGS AND RESPONSES**

(continued)

### **Terrebonne Parish Coroner**

For the year ended December 31, 2011

#### **Section II Financial Statement Findings (Continued)**

##### **11-01 (continued)**

**Context** – Systematic

**Effect** – The Coroner has a recognized deficiency in its internal control.

**Cause** – The Coroner has not determined a need for staff possessing the required technical expertise.

**Recommendation** – We recommend the Coroner consider the need for having personnel with the technical expertise and knowledge to prepare financial statements and all disclosures in accordance with accounting procedures generally accepted in the United States of America.

**Views of Responsible officials of the Auditee when there is a disagreement with the Finding to the Extent Practical** – None.

**11-02 Criteria** – Louisiana Revised Statutes 39:1304-1314 requires that the chief executive or administrative officer must advise the governing authority or independently elected official when actual revenues are less than budgeted revenues by five percent or more, actual expenditures exceed budgeted expenditures by five percent or more, or actual beginning fund balance is less than budgeted fund balance by five percent or more.

**Condition** – The Coroner has actual revenues that were less than the budget by greater than the five percent allowed by state law.

**Context** – This was an isolated instance.

**Effect** – The Coroner was not in compliance with state law.

**Cause** – The Coroner expected to received funds from the Parish for renovations; however, the Parish decided to keep the funds and do the renovations themselves. The Coroner did not make the necessary changes to the final budget.

**SCHEDULE OF FINDINGS AND RESPONSES**  
(continued)

**Terrebonne Parish Coroner**

For the year ended December 31, 2011

**Section II Financial Statement Findings (Continued)**

**11-02 (continued)**

**Recommendation** – We recommend that the Coroner comply with the State budget laws by amending its budget to ensure actual revenues are not less than budgeted revenues by five percent or more.

**Views of Responsible officials of the Auditee when there is a disagreement with the Finding to the Extent Practical** – None.

**Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Coroner**

For the year ended December 31, 2011

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

**10-01 Recommendation** – We recommend the Coroner consider the need for having personnel with the technical expertise and knowledge to prepare financial statements and all disclosures in accordance with generally accepted accounting procedures.

**Management's Response** – Management does not consider the benefit of this recommended improvement to outweigh the cost of implementation. Unresolved, see 11-01.

##### **Compliance**

**10-02 Recommendation** – We recommend that the Coroner comply with the State budget laws by amending its budget to ensure that actual expenditures do not exceed budgeted expenditures by five percent or more.

**Management's Response** – The Coroner will comply with the State budget laws in the future. Unresolved, see 11-02.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Coroner did not expend federal awards during the year ended December 31, 2010.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2010.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Terrebonne Parish Coroner**

For the year ended December 31, 2011

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

**11-01 Recommendation** – We recommend the Coroner consider the need for having personnel with the technical expertise and knowledge to prepare financial statements and all disclosures in accordance with accounting procedures generally accepted in the United States of America.

**Management's Response** – Management does not consider the benefit of this recommended improvement to outweigh the cost of implementation.

##### **Compliance**

**11-02 Recommendation** – We recommend the Coroner comply with State budget laws by amending its budget to ensure that actual revenues are not less than budgeted revenues by five percent or more.

**Management's Response** – The Coroner will comply with the State budget laws in the future.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Coroner did not expend federal awards during the year ended December 31, 2011.

#### **Section III Management letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2011.